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15 June 1960

The EIC Subcommittee on Petroleum

Annual Report

Fiscal Year 1960

A. Activities of the Subcommittee During Fiscal Year

1. Review of the Intelligence Product

The Subcommittee considers the intelligence product to be responsive to the missions and responsibilities of member agencies.

2. Research and Collection Deficiencies

a. Research Deficiencies

The priority deficiencies of research which have been identified by the Subcommittee are included in EIC-S-1/4, 15 June 1958. The question of updating these research deficiencies during Fiscal Year 1961 is scheduled for the next Subcommittee meeting.

b. Collection Deficiencies

The Subcommittee reviewed CIA/ORR statements of gaps in intelligence on the following: Communist China - Petroleum Industry; East Germany - Petroleum Industry; and Czechoslovakia - Petroleum. In each case the statements were accepted by the Subcommittee as representing full statements of gaps in intelligence on the respective items. Furthermore, it was the consensus of the Subcommittee that the order of priority given in the statements was satisfactory.

The Subcommittee believes that the ORR statements may be used to replace the EIC-S-16 Series, and will respond to directives from the EIC in this respect.

3. Review of Substantive Papers

No substantive papers were reviewed by the Subcommittee during Fiscal Year 1960.

4. Review of Proposals for External Research

No proposals for external research were brought to the attention of the Subcommittee during Fiscal Year 1960.

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5. Maintenance of Agreed Basic Statistics

The Subcommittee developed agreed basic statistics covering the major elements of the petroleum economy of each country of the Sino-Soviet Bloc for 1959. The Subcommittee plans to continue the annual up-dating of these statistics.

6. Projects Undertaken at the Request of the EIC or Proposed to the EIC

The Subcommittee Project, EIC-PSC-WP-3, Military Consumption of Petroleum Products, Sino-Soviet Bloc, 1958-59, was completed for distribution on 1 March 1960.

7. Intelligence Research Techniques

The Subcommittee has nothing to report.

8. Special Coordination Functions of the Subcommittee

a. The Subcommittee responded to a request from the USIB Committee on Exchanges for evaluation and information with respect to a Soviet proposal for a US-USSR exchange in the field of pipe-rolling and oil-well drilling equipment.

b. The Subcommittee remained cognizant of developments with respect to proposed US-USSR exchanges in the field of petroleum and natural gas. CIA tentative priority listings of USSR refineries and crude oil and natural gas fields were accepted as representing the position of the Subcommittee. These listings were used to formulate the proposed itineraries of the US petroleum and natural gas delegations within the USSR.

9. Evaluation of the Role of the Subcommittee

a. The Subcommittee continued to function actively in its role of coordinating and furthering economic intelligence research in the field of petroleum. The Subcommittee also serves as a valuable medium for the exchange of ideas and information of mutual interest to the members of the intelligence community.

b. CIA is the only member agency which now carries out formal economic research on petroleum in the Sino-Soviet Bloc. The other participants are responsible primarily for development of current and staff intelligence. During Fiscal 1960 the Air Force modified its research effort on petroleum in the Bloc countries, and certain

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responsibilities in this field which previously had been those of Air Force were transferred to CIA.

B. Future Program of the Subcommittee

The Petroleum Subcommittee plans to continue a program of activity which includes bi-monthly meetings, reviews of substantive papers where possible, the development of agreed basic statistics, and special projects in accordance with those responsibilities outlined in the EIC Handbook and in the Subcommittee Terms of Reference.

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EIC-M-83
24 September 1959

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REVIEW OF EIC SUBCOMMITTEE ON PETROLEUM:

7. Discussion: [REDACTED] Executive Secretary of the Petroleum Subcommittee, reported that the Subcommittee meets on a bimonthly basis and functions actively in its role of reviewing, coordinating, and furthering economic intelligence research in the field of petroleum. It also provides a valuable medium for the exchange of ideas and information of mutual interest to the members of the intelligence community. The activities of the Subcommittee for Fiscal Year 1959 have included: support to the USIB Committee on Exchanges in petroleum and liquified natural gas; preparation of surveys of priority research deficiencies, preparation of surveys of priority collection deficiencies, review of research projects, production of coordinated intelligence reports (Sino-Soviet Bloc Military Consumption of Petroleum Products) and production of agreed basic statistics for 1958. These activities will be continued in the next fiscal year, and it is anticipated that the program of review of substantive papers will be given broader coverage for Fiscal Year 1960, particularly with respect to China.

8. Action: The Chairman noted that the Petroleum Subcommittee is one of the more active within the EIC. The State Department member of the EIC, Mrs. Whitnack, stated that in surveying the users in the Department of State, she had found that the work of the Petroleum Subcommittee was considered the most valuable of any of the subcommittees and that she had been asked to compliment the Subcommittee for its work.

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ERIC SUBCOMMITTEE ON PETROLEUM

6/24/59

Chairman: Baxter Wood, Army
Executive Secretary: CIA
Agencies on SC: State, Army, Navy, Air Force,
NSA, CIA, Interior, ICA

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I. Activities during FY 1959 (met 5 times)

- A - Research and Collection Deficiencies -- Reviewed Research Deficiencies and also 5 ORGI's in their field.
- B - Reviewed formally one CIA/ORR paper and informally discussed another CIA paper, 1 Army paper, and 1 joint paper by OCDM, Commerce, Defense, Interior, and State.
- C - Maintained agreed basic statistics series
- D - Responded to requests of USIB Committee on Exchanges for evaluations and information with respect to proposed exchanges in fields of liquified natural gas.

III. Program for FY 1960

- A - Revision of Priority Deficiencies in Research and prepare statements of Deficiencies in Collection.
- B - Continus review of substantive papers, development of agreed basic statistics, and publish working paper of Sino-Soviet Bloc Military Consumption of Petroleum Products for 1958 - 1959.

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